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HARVARD

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RUSSIAN RESEARCH CENTER

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INDUSTRIAL PRODUCTION FIGURES FOR THE FIRST 11 MONTHS OF 1984

Product	Nov. 1984	Jan. Nov.- 1984	% Jan-Nov. 1984 over Jan-Nov.1983
Electricity (bil.kw.hrs)	133	1345	105
Petroleum (inc. gas condensate) (mil.tons)	49.7	562	99.6
Natural Gas (bil.cu.mtrs)	51.1	534	110
Coal(mil.tons)	57.0	651	99.6
Steel (mil.tons)	12.7	142	102
Fertilizer (mil.tons)	2.6	28.2	104
Metal-cutting tools (mil. rubles)	189	2162	108
Robots (1000s)	0.7	12.0	130
Computer Technology (bil. rubles)	0.3	3.3	112
Tractors(mils.)	4.3	46.6	104
Paper (mil. tons)	0.5	5.3	103
Cement (mil. tons)	10.7	119	102
Meat(mil. tons)	0.8	8.8	106
Margerine (1000 tons)	0.1	1.3	96
Watches(mils.)	5.3	61.3	97
Radios(mils.)	0.8	8.5	101
Television sets (mils.)	0.7	8.2	105
Automobiles (1000s)	0.1	1.2	101

INDUSTRIAL PRODUCTION FIGURES FOR THE FIRST 11 MONTHS OF 1984

The Soviets continue to have production problems in the petroleum industry. For the six month in a row, petroleum production has been down from the corresponding month of 1983. For November 1984, production was 49.7% compared to 50.0% in 1983. At the current rate, the Soviets will be able to produce not much more than 613 tons for all of 1984, the figure we predicted in last month's Newsletter. That will be about equal to what they produced in 1982. That is no major disaster but clearly it will be a disappointment. Similarly, coal production also continued to drop in November 1984.

In contrast, natural gas production continues to increase at a very impressive rate. In fact, natural gas production shows one of the highest rates of growth of any Soviet industry. For November 1984, production increased almost 9 1/2% above what it had been in November 1983, and for the 11 months as a whole, production shows slightly less than a 10% increase. In our next Newsletter we should be able to have the production results for all of 1984.

CURRENCY FIGURES

Rubles Purchased Per 100	Dec. 1983	Nov. 1984	Dec. 1984
Austrian shilling	4.09	4.01	3.95
U.K. pound	112.70	105.65	102.33
W. German mark	28.73	28.19	27.68
U.S. dollar	79.25	83.70	85.85
French franc	9.41	9.18	9.03
Japanese yen	.337	.347	.348
Italian lira	.048	.0454	.0448
Swiss franc	35.86	34.30	33.58

According to the currency exchange rates released by Gosplan for December 1984, all currencies listed above, with the exception of the U.S. dollar and the Japanese yen, have decreased over the last month and over the last year. The Japanese has had only a slight increase, however.

ARDEN HOUSE - THE NINTH ANNUAL CONFERENCE

The program for the Arden House conference on East-West Relations (March 29-31st) was sent out to the subscribers of this Newsletter last week. If you don't receive your invitation in due time, please let us know and we will send out a copy.

We are pleased to announce an addition to the program. Congressman Les Aspin has indicated that he also expects to attend the conference. This means that our Congressional panel will consist of four Congressmen and at least one Senator. We do expect to hear from additional Senators as well. Since interest in the Soviet Union seems to be at a new high, we urge those who expect to attend to return their application forms early to insure a reservation.

++L A S T C A L L ++
CORPORATE SPONSOR SEMINAR #3

This will be the lasting mailing for the corporate sponsor seminar to be held Thursday, February 14th, entitled "Are Soviet Military Expenditures Helpful As Well As Hurtful to the Civilian Economy?" (For those who attend regularly, they should note that it is on a Thursday, not a Monday). A complete program and an application form are enclosed with this Newsletter.

There is one addition to the program — David Holloway, currently at the Center for International Security and Arms Control at Stanford University, will join us as a panelist.

THE RUSSIAN RESEARCH CENTER takes no official stand on any economic or political trend. The views and analyses expressed in this Newsletter are those of the authors directly associated with the article or unless otherwise stated, with those of the editor, Marshall I. Goldman.

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The Geneva Scene

The Washington Post
January 8 1985

GENEVA—If an expectant world could will it, the George Shultz-Andrei Gromyko meetings in Geneva would mark a turning point. Although many realize that the world's problems are too complex to be settled by two senior statesmen in two days, this could nonetheless be an important, even historic, meeting.

But here on the spot, the deeper implications are being superseded. The outpouring of press, former ambassadors, academics and intelligence specialists from all over the world almost seems to be more important than the event itself. The media and their camp followers, both in terms of numbers and style, have assumed such a presence that they threaten periodically to transcend the message.

There are more than 1,000 correspondents from around the world cluttering hotel lobbies and preempting hotel floors with broadcasting equipment and media stars. Only the Swiss could handle so many anchormen simultaneously without provoking incidents both diplomatic and psychological. Not just Peter Jennings, Marvin Kalb and David Hartman are here but also a Moscow commentator, Valentin Zorin, not to mention squads of Japanese, Europeans, Chinese and even a solitary Pole—without a cameraman.

The weather makes its own contribution to the circus atmosphere. Shultz's plane lands as the sun rises over Geneva. Gromyko flies in as the sun sets, propelled by a bone-chilling Siberian blast that plunges Geneva's temperatures to the lowest they have been since 1956. Portent or cliché?

The large U.S. delegation with its offsetting representatives from right and left, from the State Department and from the Pentagon, plus those speaking for President Reagan, resembles not so much a tight negotiating team as the archetypal balanced ticket for the New York Democratic Party —or a casting party for Strobe Talbott's "Deadly Gambits." By contrast, under the no-nonsense leadership of Gromyko, the Soviet side looks like a well-rehearsed Greek chorus.

Yet, as distracting as it is, the atmosphere should not mask the remarkable change that has occurred in the last year and a quarter. Where the Shultz-Gromyko meeting of late 1983, after the downing of Korean Air Lines 007, was preceded by recriminations and warnings, the current meetings were ushered in by mutual protestations of good faith and most notably by an almost unprecedented apology from the Soviet Union for its wayward cruise missile over Norway and Finland. This spirit is further enhanced by a rare greeting in English at the airport from what we normally regard as that inveterate *nyet* sayer, Andrei Gromyko.

None of this means that the intractable issues have suddenly become tractable. TV spots of Swiss yodelers and mountain horn blowers do nothing to resolve serious disputes. But there may be some utility to this media extravaganza and the resulting three-network circus. The intense public interest serves to remind Shultz and Gromyko, if they need reminding, that there is a vast audience out there. While there is a risk that this pressure may be perverted into a form of negotiating blackmail, it could also develop its own reinforcing dynamic and spur the extra effort that on rare occasion actually makes a difference.

The writer is a professor of economics at Wellesley College. He is serving as a consultant in Geneva to ABC's "Good Morning, America."

11/06/84
18:47:41

Leading items in U.S. imports for consumption from USSR in January-September 1984, 1981, 1982, 1983, January-September 1983, and January-September 1984

(Customs value, in thousands of dollars)

TSUSA Number	Description	1981	1982	1983	January-September-- 1983	January-September-- 1984
4806540	Anhydrous ammonia	78,414	88,765	85,722	52,136	99,820
4751015	Light fuel oils a tcr 25deg	80,706	0	48,913	42,762	98,794
6050260	Palladium, palladium	31,142	24,836	41,849	32,642	46,324
4803000	Urea, nspf	0	10,434	38,913	28,694	37,000
6050750	Palladium bars plates etc	2,815	1,685	4,343	4,343	10,829
4750535	Heavy fuel oils un 25 deg	0	15	0	0	9,082
4805000	Potassium chloride or	0	4,680	4,134	3,305	8,996
1241045	Sable furskins, whole, raw	8,120	7,164	7,803	6,615	7,998
4751035	Heavy fuel oils 25 deg api	9,467	0	0	0	6,029
1143000	Crabs fresh chilled frozen	0	2,107	12,798	6,913	5,644
6180650	Unwrought alloys of aluminum	0	219	137	137	4,981
1693800	Vodka in containers not over	5,799	7,173	9,883	8,325	4,673
6181000	Aluminum waste & scrap	2,996	0	0	0	3,790
6050710	Platinum bars,plts sheets nt	1,413	1,197	2,356	2,356	3,331
6050270	Rhodium, rhodium content	3,475	3,475	2,105	1,947	2,996
4011000	Benzene	0	0	0	0	2,985
4017415	Ortho-xylene	0	0	0	0	2,554
7650300	Paintings, pastels, drawings	96	115	3,102	96	1,998
2401440	Plywood, birch face not face	3,209	1,374	2,283	2,123	1,952
6063542	Ferosilicon, contng 30%	0	0	0	0	1,816
2452028	Hardboard, not face finished	1,977	1,569	1,359	1,040	1,448
6050220	Platinum sponge platinum	4,626	3,961	3,003	1,855	1,374
4257000	Acetic acid	0	0	0	0	1,365
6063546	Ferosilicon cont ovr 30%	0	0	2,884	671	1,319
4800500	Limestone for fertilizer	0	0	2,210	2,210	1,205
1693700	Vodka in containers not over	1,486	2,173	1,220	899	1,114
6052020	Gold bullion, refined	21,368	1,493	1,438	943	948
4016400	Pseudocumene	0	0	0	0	812
3798311	Mens wool suit-type coats &	0	0	0	0	784
1133000	Sturgeon roe fresh, chilled	1,203	1,822	788	474	688
	Total	258,251	163,377	277,158	200,484	364,569
	Total, all items imported from USSR	357,424	228,792	341,893	252,232	376,921

Source: Compiled from official statistics of the U.S. Department of Commerce.

11/09/84
20:21:59

Leading items in U.S. domestic exports to USSR in January-September 1984, 1981, 1982, 1983, January-September 1983, and January-September 1984

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(F.a.s. value, in thousands of dollars)

Sched B Number	Description	1981	1982	1983	January-September--	
					1983	1984
1306540	Wheat, unmilled, not donated f---	772,563	882,182	800,584	496,522	877,647
1303465	Yellow corn, not donated for r---	781,675	818,768	390,915	138,161	689,201
3001860	Cotton, not carded, not combed---	0	67	61,338	60,892	148,668
4807025	Phosphoric acid, 65% or more a---	166,882	268,485	214,810	154,632	142,102
7905510	Pressure sensitive tape with a---	19,692	36,895	58,650	49,332	35,563
1775640	Tallow, inedible----------	48,589	17,887	21,585	17,206	29,745
1001550	Other cotton having a staple l---	0	0	10,885	10,885	18,739
1754100	Soybeans, except seed for plan---	8,432	171,264	157,162	47,896	14,039
4754555	Insulating or transformer oils---	16,139	27,928	13,923	11,938	13,104
6923820	Parts, nspf, of tracklaying tr---	48,538	25,651	16,220	13,543	11,113
1201400	Cattle hides, whole----------	0	0	10,575	8,987	10,184
4461561	Synthetic rubber, not containi---	0	0	8,191	7,031	9,948
6923840	Parts, nspf, of tractors, exce---	35,387	17,195	14,628	13,604	9,799
1762520	Linseed oil, crude----------	6,080	0	0	0	9,127
6840586	Parts, nspf, of boring and dri---	156	28,883	12,978	12,170	8,308
1454380	Almonds, shelled, not blanched---	16,003	10,043	2,341	2,341	7,392
3094222	Rayon fibers in noncontinuous---	0	0	6,176	6,176	6,563
6505468	Parts, nspf, of industrial gas---	368	23	17,144	13,157	5,238
5175120	Petroleum coke, calcined--------	33,055	34,269	3,125	3,125	4,950
3382600	Fabrics, woven, of manmade fib---	8,305	6,841	6,960	4,543	3,704
6840513	Drilling and boring machines,---	0	1,512	1,757	454	3,656
6605440	Parts nspf of diesel engines f---	8,275	7,728	6,836	5,058	3,532
6923160	Tracklaying tractors, new, 345---	56,746	51,037	3,628	3,628	3,316
6640591	Parts, nspf, of earth-moving a---	2,189	1,947	5,166	1,433	2,867
6922985	Parts, nspf, of motor vehicles---	4,874	5,721	1,679	1,552	2,710
2500284	Chemical wood pulp, special al---	250	0	2,760	0	2,382
6852040	Bullion, silver content---------	0	0	3,454	3,454	2,249
6016100	Zinc ore----------	0	0	0	0	2,235
6603040	Parts, nspf, of steam turbines---	12	1,946	1,943	1,943	2,083
4040580	Hydrocarbons, cyclic, excl der---	0	0	0	0	2,043
	Total----------	2,032,443	2,326,591	1,854,529	1,089,568	2,082,200
	Total, all items exported to USSR----------	2,338,818	2,588,975	2,001,951	1,194,882	2,154,084

Source: Compiled from official statistics of the U.S. Department of Commerce.

11/15/84 17:55:08

Leading items in U.S. imports for consumption from EASTERN EUROPE in January-September 198
1981, 1982, 1983, January-September 1983, and January-September 1984

(Customs value, in thousands of dollars)

TSUSA Number	Description	1981	1982	1983	January-September--	
					1983	1984
4753500	Naphthas derived petroleum,-----	49,975	19,786	24,617	0	162,430
4752520	Gasoline----------	98,241	69,846	207,709	145,160	107,372
4756530	Liquid derivatives of----------	0	0	0	0	85,000
1073525	Pork hams & shoulders, boned,----	127,271	87,489	119,996	91,614	80,625
6923288	Parts nspf of motor vehicles----	21,079	12,045	18,748	13,617	31,425
6076625	Plates ios not cut etc a not c--	0	0	0	0	29,166
4803000	Urea, nspf----------	2,893	1,768	10,885	7,105	28,476
6182563	Aluminum sheets and strip, n--	0	0	0	0	25,236
6078360	Steel sheet pickled and/or------	0	0	561	344	23,833
1702000	Cigarette leaf, not stemmed,----	18,391	17,659	25,835	21,859	13,861
4751015	Light fuel oils a ter 25deg-----	8,908	7,701	36,246	28,242	13,392
6071700	Steel wire rods no alloy not----	114	2,265	8,763	6,485	12,486
6869030	Other lamps including----------	9,330	11,456	10,707	7,715	11,492
7004540	Footwear, leather, cement-------	14,211	20,568	21,439	16,067	11,453
4750535	Heavy fuel oils un 25 deg-------	0	0	10,852	10,852	11,147
3795565	Mens and boys suits manmade-----	0	3,796	3,314	3,226	10,049
3359500	Other woven fabric of veg-------	10,697	12,789	6,063	4,155	9,526
3798355	Mens or boys other wool nkt----	0	13,891	9,470	8,173	8,823
4806510	Ammonium nitrate----------	0	0	849	849	8,738
6923460	Parts of agricultural----------	10,718	8,704	5,094	1,415	8,489
6081330	Ir o st sht, zinc coated not----	0	0	1,355	814	8,244
1922520	Hops, nspf----------	0	8,424	5,733	5,588	7,663
6104225	Oilwell casing api not alloy----	0	0	274	274	7,483
4805088	Potassium chloride or----------	4,150	3,290	8,557	5,511	7,149
7271500	Furniture and parts of----------	7,386	7,686	7,828	5,466	6,994
6898841	Steel channels not alloyed------	5,146	233	1,946	857	6,591
5466820	Imblrs, qblts, & stmwre ov------	8,200	6,752	8,491	6,391	6,528
6923486	Tractors, wheel ex gardn new----	18,754	12,192	5,653	4,149	6,525
4806558	Nitrogen solutions----------	0	0	4,654	683	6,338
6462622	Nails etc iron/steel, smooth----	5,469	1,956	4,961	3,481	6,018
	Total----------	484,932	330,129	566,394	399,212	762,549
	Total, all items imported from EASTERN EUROPE-------	1,184,865	823,691	1,010,479	744,933	1,171,965

Source: Compiled from official statistics of the U.S. Department of Commerce.

11/15/84
17:59:46

Leading items in U.S. domestic exports to EASTERN EUROPE in January-September 1984, 1981, 1982, 1983, January-September 1983, and January-September 1984

(F.a.s. value, in thousands of dollars)

Sched B Number	Description	1981	1982	1983	January-September--	
					1983	1984
1754100	Soybeans, except seed for plan--	49,620	84,751	125,856	108,342	130,620
1303465	Yellow corn, not donated for r--	914,105	296,923	118,231	91,935	76,113
1201400	Cattle hides, whole----------	39,027	61,456	65,428	50,439	64,316
1845260	Soybean oil cake and oil-cake---	275,628	83,778	121,520	63,968	48,627
5809500	Other fertilizers, including c--	0	0	32	32	36,790
8183988	Commodities nspf, donated for---	4,608	20,489	48,648	26,953	23,413
4807050	Concentrated superphosphate, 4--	37,150	27,137	28,961	16,433	20,695
1160100	Butter----------	44,486	17,513	16,453	13,979	16,480
1304040	Grain sorghum, except seed------	0	0	0	0	15,135
5213110	Low volatile bituminous coal a--	15,399	11,180	16,145	10,631	13,382
1755140	Sunflower seed, except confect--	0	0	0	0	11,673
1306540	Wheat, unmilled, not donated f--	54,589	14,228	6,139	6,139	7,837
1314030	Wheat flour, except durum and---	115	7,780	7,382	5,802	7,190
1301040	Barley, nspf----------	10,704	0	7,002	4,763	7,045
1765260	Soybean oil, fully refined, de--	0	8,756	7,672	4,668	6,332
6923840	Parts, nspf, of tractors, exce--	4,462	6,923	3,879	2,707	5,772
8183400	Apparel privately donated (rel--	1,950	3,911	5,490	3,589	5,338
8183100	Food products, nspf, donated f--	4,512	14,437	4,876	3,424	5,117
1155020	Nonfat dry milk containing not--	2,125	3,238	10,123	8,708	4,808
6448588	Parts, nspf, of excavating mac--	133	621	3,646	3,178	4,720
1706530	Cigarettes----------	10,694	3,277	6,206	5,875	4,493
8188000	Shipments valued $10,000 and u--	0	0	0	0	4,269
6765560	Parts, nspf, of automatic data--	5,672	5,706	4,992	3,554	4,195
6603040	Parts, nspf, of steam turbines--	38	0	6	0	3,969
4808010	Monoammonium----------	0	0	0	0	3,252
4331035	Compound catalysts, nspf--------	1,671	4,840	2,370	2,265	2,865
5404200	Glass rods, tubes, & tubing, n--	3,010	2,722	3,246	2,536	2,832
8184000	Used wearing apparel and other--	1,016	6,116	3,549	2,908	2,729
4807025	Phosphoric acid, 65% or more a--	0	0	0	0	2,582
1777390	Animal oils, fats, and greases--	0	215	1,697	987	2,555
	Total----------	1,488,712	685,993	610,656	443,216	545,142
	Total, all items exported to EASTERN EUROPE----------	1,898,029	996,387	876,695	647,932	654,948

Source: Compiled from official statistics of the U.S. Department of Commerce.